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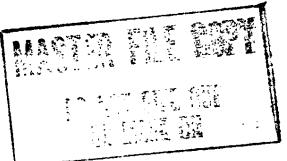
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Chile:
The Emerging Party System

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An Intelligence Assessment

ALA 84-10110 November 1984



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An Intelligence Assessment

This paper was prepared by

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Comments and queries are welcome and may be directed to the Chief, South America Division, ALA,

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# **Key Judgments**

Information available as of 1 November 1984 was used in this report. Despite their legal proscription, Chile's political parties are playing an important role in the opposition to President Pinochet's 11-year-old military-dominated regime. In practice, the government has tolerated open political activity by all but Marxist parties, especially since widespread opposition exploded in mid-1983. In our view, Pinochet realized at that time that to stifle organized debate among the highly politicized Chilean electorate would leave only violence as an outlet for political expression and fuel radical opposition to his government. While the political parties provide a partial safety valve, their evolution—which hinges on the smooth transition to democratic government, currently scheduled to be completed by 1990—will influence whether Chile moves in an orderly fashion to civilian rule or succumbs to violence and confrontation.

Chile's renewed political vigor has spawned, at last count, some 64 parties and factions. Through attrition and consolidation, a manageable system of five to seven major parties is beginning to take shape, covering the political spectrum from the right to the left:

- The Right. The traditionally powerful Chilean right is slowly reorganizing, but remains severely fractured. Democratic conservatives—who constitute the vast majority of rightist party members—have a history of pragmatism, and we believe they have a good chance of overcoming their tactical differences regarding a transition formula to become an influential political force.
- The Christian Democrats. Spearheading the democratic opposition to Pinochet, the centrist Christian Democrats advocate a mixed economy, reject violence, and are wary of working with the Communists. Although the party has majority moderate and minority leftist currents, it is basically united, popular, and well placed to act as a stabilizing force during the transition to democracy.
- The Left. Long hampered by internal feuding and an ambiguous commitment to democracy, the Socialists have spawned a dominant faction that eschews violence and, in our view, are evolving into a modern democratic socialist party. Failure to achieve a peaceful transition to democracy, however, would benefit Chile's Moscow-supported Communist Party, the biggest and best organized force on the left. The Communists are committed to terrorism and violent mass protests, but so far have failed to pressure Pinochet seriously.

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How Pinochet and the armed forces handle the transition to democracy will be crucial. In our view, the military is primarily concerned that it be succeeded by moderate civilians who do not initiate Argentine-like trials of the military for human rights violations. But Pinochet—buoyed by the opposition's inability to sustain the momentum of last year's protests—will accept opposition demands that the transition to democracy be accelerated only if he comes under heavy political pressure. We judge that it probably will require considerable political tumult—including renewed violent protests—to induce the President to compromise with his opponents. If he holds fast in the face of growing violence and unrest, however, the military might replace him with a general more amenable to a faster democratic transition.

On balance, we believe that the chances are slightly better than even that an orderly shift to democratic rule can be achieved. This would involve concessions both by Pinochet—such as advancing the date of congressional elections planned for 1990—and by the opposition—accepting Pinochet's full term as President until 1989, for example. Such a transition would stand the greatest chance of producing a party system conducive to stable democratic government. Democratic conservatives would dominate the right, the Christian Democrats would tighten their hold on the center, a democratic socialist alternative would emerge on the left, and the Communists might become politically isolated.

A refusal to compromise by Pinochet and the opposition probably would, however, cause the transition to democracy to collapse, fostering confrontation and violence. Although Pinochet would probably retain control for some time, the party system most likely to emerge would hinder the development of peaceful democratic government. Political polarization would strengthen the authoritarian right—currently a minor factor—and the Communists at the expense of the Christian Democrats and the democratic left. The stage would be set for chronic instability and the reinsertion of the military into politics.

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The reemergence of stable representative government would benefit the United States and limit opportunities for Soviet and Cuban meddling in Chile. Most important, the return of democratic government to Chile would be widely viewed as underscoring Washington's commitment to pluralistic politics in Latin America. Conversely, failure to establish stable democratic rule would strain bilateral relations and increase the influence of the Moscow- and Havana-backed radical left. A greater role for the Communists might in turn either provoke a military coup or perpetuate the present regime. In either case, the United States—because of its past involvement in Chilean internal affairs—probably would be blamed by critics in Chile and elsewhere for torpedoing the transition process, with a consequent loss of influence and prestige throughout Latin America.

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Scope Note	This paper outlines the current and most likely fu system in Chile, and assesses how it both affects a transition from military to civilian rule. We are not could interfere with such a process. Thus, we madetailed assessment of the political scene in the President Pinochet's term in office is slated to encountered.	and is affected by the ongoing mindful of the many pitfalls that ke no attempt to provide a 989-90 time frame, when
	Because of their recent emergence from the under many of Chile's political groupings, reliable infor- organization, and leadership is scarce. The absence the dubious scientific validity of many Chilean po- ments of party strength and popular support diffice ship statistics are available only for the Christian Communist Party. As a result, the conclusions of speculative, since they are based largely on a clos- and US Embassy reporting, inference and project judgments of US official and academic specialists	mation on their structure, e of free elections since 1973 and olls make even general assess- cult. Partially reliable member- Democratic Party and the this paper are necessarily e reading of the Chilean press ion from past events, and the

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Chile: The Emerging Party System		25X1
Introduction In our view, Chile's traditionally high level of politicization has not been diminished significantly by the more than 11 years of military rule. When General Augusto Pinochet toppled the Marxist government of Salvador Allende in September 1973, he had a straightforward message for Chile's civilian politicans: "Your time is up." As President, Pinochet sought to remold Chilean political culture and permanently sideline the country's old political elite. The anti-Pinochet protest movement that emerged during 1983, however, clearly revealed that the President had failed to fashion a new political order. Many of the same parties and politicians that had dominated Chile's public life prior to 1973 returned to the fore after a decade of hibernation.  Since mid-1983 the parties have played an important role in organizing the opposition movement, and they will influence whether Chile has an orderly transition to civilian rule or succumbs to violence and confrontation. After the prolonged hiatus in partisan political activity, old parties have reemerged and new ones have formed; many are riven by internal dissension, according to the US Embassy. We believe that this chaotic situation—the Chilean press' latest estimate lists over 64 parties and factions—will not last. An assessment of US Embassy reporting and open sources leads us to believe that a manageable system of five to seven major parties is already taking shape, while the minor political groups are either merging with stronger forces or sinking back into political obscurity.  The purpose of this paper is to describe the emerging	Figure 1. President Pinochet With Interior Minister Jarpa. Fashioning an orderly transition to civilian rule?  The Right Before Pinochet came to power, the right was well organized, dynamic, and, according to electoral results, was supported by up to a third of the voters. Although conservative by Latin American standards on socioeconomic matters and devoutly anti-Marxist, the Chilean right was democratic and constitutionalist. Authoritarian ideologies were championed by only small extremist parties; such views were barely represented within the National Party (PN), Chile's leading rightwing force.  The right, however, was sufficiently alienated by the Allende government to support the 1973 military coup. We suspect that most National Party leaders believed that the military, after an initial crackdown, would return power to the traditional center-right	25X1 25X1 25X1
party system and assess its probable development over the next three to five years. We focus on how the	politicians. Pinochet, however, refused to share power even with the civilian right. The press reports that the	

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activity.

President also rejected attempts to form a projunta

regime that suppressed all forms of public political

"Pinochetista" party, preferring a military-dominated

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nature of the return to democratic government will

affect internal party development and relations be-

tween parties. The structure of the party system that

is fashioned during the twilight of the Pinochet era

will, in turn, provide the key indicator of Chile's prospects for political stability under civilian rule.

# The 1980 Constitution and the Transition to Civilian Rule

In 1980, with a booming economy and the military government at the height of its popularity, over 60 percent of Chilean voters approved a Constitution providing for a gradual transition to civilian rule. It calls for President Pinochet's current term in office to last until 1989, when the subsequent president—who may also be Pinochet—will be named by the fourman military junta and approved by popular plebiscite. Congressional elections are scheduled for 1990. Other provisions of the Constitution allow the executive branch to arrest and exile dissidents by administrative fiat and ban Marxist parties.

Both the democratic opposition and the radical left deny the Constitution's legitimacy. But, while Communists and hardline Socialists insist that Pinochet resign and the Constitution be immediately derogated, the moderate opposition has publicly hinted that it may accept the Constitution as a fait accompli, provided that some of the basic law's most controversial aspects are modified. The moderates held open discussions with Interior Minister Jarpa concerning political liberalization in September 1983, but they foundered over Pinochet's refusal to consider a specific timetable to accelerate the transition to civilian rule. No formal opposition-government dialogue is under way this year, but behind-the-scenes contacts have taken place, and neither side has firmly rejected

the possibility of eventual compromise. The reforms suggested by the moderates for an orderly transition include advancing congressional or local elections to the 1986-88 period, repealing the government's special administrative powers, easing the ban on Marxist parties, and prohibiting Pinochet from succeeding himself. The moderates have not formulated their minimum demands, but we believe that if Pinochet's political and economic position remains strong they might agree to participate in the government-sponsored congressional elections slated for 1990 in exchange for as little as a pledge from the President not to run in 1989 and to hold local elections before 1990.

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If, however, Pinochet comes under considerable pressure from his various adversaries and the government's overall standing weakens, the moderate opposition would probably hold out for major reforms, such as congressional elections in 1986 or 1987 and an end to Pinochet's emergency authorities. If Pinochet responded to such demands by refusing any changes in the Constitution, the stage would be set for nonparticipation by all but extreme conservatives in the electoral process, increased violence, and political polarization.

In our view, Pinochet's refusal to sanction even that modicum of politics implicit in an official party prevented the Chilean right from totally abandoning its support for democracy. Excluded from a significant role in the government, most rightist leaders had little alternative but to urge an eventual return to pluralist politics. This was precisely what Pinochet offered in his 1980 Constitution, and, despite some public grumbling that a 10-year transition period was too long, most of the right supported the initiative.

We believe, however, that in view of the current domestic turmoil the right probably judges that rigid adherence to Pinochet's timetable for democratization is not in its best interests. Polls show that Chileans—perhaps unfairly—associate the right with Pinochet; consequently, if the President relies on repression to maintain himself in power until 1990, it will almost certainly alienate vast sectors of the population from rightist parties and ideas. This realization has, in our view, spurred much of the right to reorganize itself and loosen ties with the regime so as not to be caught unprepared should Pinochet falter.

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The right has yet to refashion itself into a force comparable to the pre-1973 National Party. Conservative leaders publicly admit that their failure to maintain even skeletal party organizations under Pinochet, combined with longstanding personal rivalries, produced organizational chaos on the right. In our view, the right is also divided by differing attitudes toward collaboration with the military regime and the best strategy to follow for a smooth transition to civilian rule. Ideological disputes, while evident, play a secondary role in fracturing the right, especially among those groups that trace their ancestry to the old National Party. Reporting from the US Embassy and the press indicates that the most influential sectors of the right continue to espouse essentially democratic views.

In our view, there are three major currents on the right: traditional, authoritarian, and free market.

Traditionalists. The traditional right—by far the largest and most influential—consists of three major groups, all of which are descendants of the National Party.' These parties favor political pluralism, advocate moderate state intervention in the economy, and are profoundly anti-Communist. They differ primarily over tactical questions of how best to engineer the transition from military to civilian rule and how closely to support the government on this issue. The three groups are:

• The National Party (PN), according to the US Embassy, is the best organized and largest of the conservative parties and has had considerable success in capturing the loyalty of the members of its pre-1973 namesake. The PN accepts the legitimacy of the 1980 Constitution, but is relatively independent of the government and has pushed vocally for constitutional reforms that would speed the pace of democratization. Specifically, it has called for an elected congress in 1985 and an end to emergency powers that permit the government to arrest and expel dissidents by administrative fiat.

<ul> <li>National Unity (UN)</li> </ul>	<ul> <li>Nat.</li> </ul>	ional	Unity	(UN)
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leaders have publicly stated that they want to form a broad center-right force that will have a wider appeal than the old National Party. To this end they have organized the National Democratic Accord (ADENA), a coalition of five progovernment parties. National Unity hews more closely to the Pinochet regime than the other traditional rightist parties, but it, too, has publicly advocated changes in the 1980 Constitution, including congressional elections in 1986 and the prompt legalization of all non-Marxist political parties.

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• The Republican Right (DR), is the only important rightist group to have totally repudiated the 1980 Constitution. As a member of the Christian Democratic—dominated Democratic Alliance opposition coalition, it has openly called for Pinochet's resignation and the election of a constituent assembly to draft a new constitution. Although important symbolically as evidence that Pinochet's once solid conservative support is eroding, there is no indication that the party has much of a grassroots following

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While the extent of their support for Pinochet differs, the parties of the traditional right share a common ideology, and we believe that if an orderly transition to democracy were achieved—thus making the question of constitutional reform a less divisive issue—differences regarding political tactics and relations with the government could be overcome. The right has surmounted similar obstacles in the past: in 1966 three declining conservative groups stopped feuding and united to form the National Party, which quickly became Chile's second-largest party.

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We judge that, if the traditional right shows similar pragmatism in the late 1980s, the right will become a potent force. The pre-1973 PN regularly mustered 20 percent of the congressional vote, and a third of the electorate usually backed the rightist presidential candidate. Eleven years of military rule, in our view, have done little to erode this level of underlying

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At least four other significant parties also fit into the traditional rightist mold. Their backgrounds, however, differ substantially from the PN-derived parties. We expect that they will be either absorbed into the larger groupings or become irrelevant political forces. For details, see appendix A.

# Parties, Coalitions, and Alliances

Under a 1977 legislative decree all Chilean parties are technically illegal. In addition, the 1980 Constitution specifically outlaws "totalitarian" (that is, Marxist) parties. The government is preparing to lift the 1977 decree but will maintain the constitutional ban on Marxist parties. Since the emergence of the mass opposition movement in 1983, the regime has enforced the ban on political parties unevenly, generally tolerating open activity by parties of the far right to the moderate left while arresting and banishing Communist and hardline Socialist leaders.

Most of the parties have established informal alliances or coalitions. The most important include:

- National Democratic Accord (ADENA). A group of five basically progovernment conservative parties.
- Democratic Alliance (AD). A broad democratic opposition coalition dominated by the Christian Democrats and stretching from the moderate right to the center-left.
- Social Democratic Federation (FSD). An effort to unite three social democratic parties within the AD.
- Socialist Bloc (BS). An alliance spearheaded by Socialists belonging to the AD and several small Christian Socialist groups.

• Popular Democratic Movement (MDP). A Communist Party-controlled front that includes the hardline Almeyda Socialist faction and a Cuban-backed terrorist group.

We expect the party alliance structure to remain fluid until the political party law is promulgated and congressional elections are held, at the earliest in 1986. Cooperation among parties to oppose Pinochet will not necessarily carry over into formal electoral coalitions. The AD in particular will, in our view, tend to unravel as its Socialist component seeks to fortify the Socialist Bloc and its right wing searches for a less overwhelming ally than the Christian Democrats. The alliances that span narrower ranges of the political spectrum-ADENA, BS, and FSDstand a better chance of enduring, in our view. The MDP is a special case, since government repression has nearly driven it underground and the ban on Marxist parties will prohibit it from contesting the first congressional elections.

support. A variety of polls reveal that public support for Pinochet—which we believe will mostly translate into votes for the traditional right in a free electionhas never dropped below 30 percent. Furthermore, the conservatives' anti-Marxism and staunch support for Pinochet's coup will help them retain middle- and upper-class backing. Academic studies show that these sectors still fear a return to the chaotic Allende years and widely respect the military's political

Authoritarians. The authoritarian right differs in political ideology from the traditional right in that it lacks a commitment to democracy. Leaders of the National Action Movement (MAN)—the main authoritarian rightist party—openly denigrate democracy and the rule of law, and have publicly hinted at the desirability of one-party authoritarian rule in Chile. Press reports indicate that the MAN has gained a

achievement of reestablishing order.

small measure of influence among the traditional right through participating in the ADENA coalition. Nevertheless, we suspect that, if an orderly transition is negotiated, traditional rightists will distance themselves from the MAN's "fascist" image in order to attract centrist support. The authoritarian right, splintered and ideologically isolated, would, in our view, then be reduced to a coterie of leaders without followers. Only the collapse of the transition to democracy and a sharp rise in political polarization would give groups such as the MAN a significant role in the party system. In such circumstances, the authoritarian right's strident anti-Communism and hardline stances would probably attract middle- and upper-class elements who feared that the temporizing conservatism of the traditional right could not counter a leftist revolutionary threat.

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Free Marketeers. The free market right diverges from the traditional right in its economic ideology. Locally known as the "Chicago Boys," this sector, organized in the Independent Democratic Union (UDI), designed the untrammelled free market experiment that brought Chile fleeting prosperity before the severe 1982 depression. The UDI's reliance on market incentives represented a radical break with the statist and nationalist approach of traditional Chilean conservatives.

The UDI, in our view, has the worst prospects for survival of any group on the right. The US Embassy reports that the favoritism Pinochet showed to the "Chicago Boys" irritated both the authoritarian and traditional right, who are loathe to work with the UDI. We believe that the party's current influence is largely illusory, since it is based on patronage derived from the official posts held by UDI members.

the government is already removing UDI members from some of these positions. Finally, a reading of the press indicates that the Chilean public associates the UDI with the 1982 depression and the country's current economic woes and has largely forgotten its earlier economic achievements. This legacy will probably handicap the free market right regardless of the nature of the transition process.

# The Christian Democratic Center

The Christian Democratic Party (PDC) is Chile's largest, possessing, according to press estimates, roughly 25,000 members. Only the Communists can rival the PDC in size, organization, and influence. The party faces no serious challenge to its dominance of the crucial center of Chilean politics and overshadows both its Socialist and conservative partners in the Democratic Alliance (AD) coalition. The PDC currently spearheads the democratic opposition to Pinochet, and we believe it probably will play a key role in any future civilian government.

Past Problems. In the past, the Christian Democrats were crippled by weaknesses that reduced their effectiveness both in power (1964-70) and in opposition (1970-84). The Christian Democrats had been especially obstinate in their refusal to cooperate with the democratic right, except for the goal of countering Allende. The PDC originated as a schism from the

Conservative Party, and its founders have always emphasized the distance traveled from their rightist origins. Rooted in an anticapitalist bias, this disdain for the right produced increasingly doctrinaire positions on economic issues in the pre-Allende period. Thus, by 1970 the party advocated an idiosyncratic brand of Christian Socialism, stressing land reform, nationalization of key industries, and close cooperation with the left. Even this formulation failed to satisfy leftist members who abandoned the party to found several hybrid Marxist/Christian groupings. When it achieved power in 1964, party leaders spoke of 30 years of Christian Democratic hegemony and shunned coalition politics. This arrogance alienated potential collaborators and reduced the party's effectiveness in government and, subsequently, in the opposition.

We believe that the PDC's experiences under Allende and Pinochet have yielded indelible lessons and that the party has been toughened in the process. Christian Democrats now openly recognize that they cannot act effectively alone. The creation of the Democratic Alliance—where the PDC collaborates with four other parties—is a concrete example of this new pragmatism. Christian Socialism is now espoused only by the party's leftmost fringe; the official PDC position stresses the importance of free markets in a mixed economy. This is accompanied by a renewed faith in democracy and an emphasis on social welfare programs that distinguishes the PDC from the right. along with a clearcut rejection of violence and terrorism as inherently polarizing and destabilizing.

Chilean Christian democracy today retains its humanistic outlook but is concerned mainly with practi- 25X1 cal solutions to specific social and political challenges. This is exemplified by the recent publication of a 24-volume PDC-sponsored study that spells out specific proposals to tackle a variety of the country's problems, ranging from housing and education to debt relief and industrial development. In sum, as a result of the pressures of the last decade or so, the party, in

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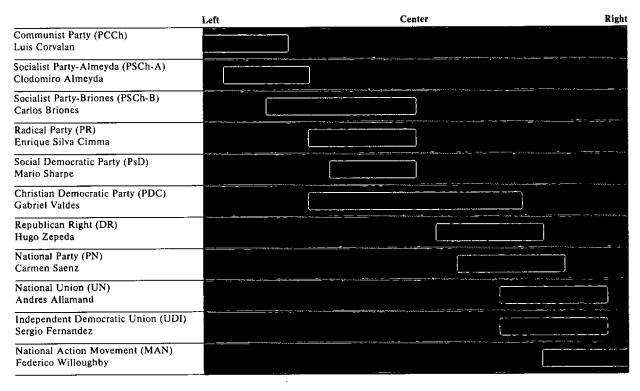
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Figure 2
Distribution of Major Parties on the Chilean Political Spectrum, 1984



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our view, has reaffirmed its identity and ideological moorings while shifting its energies from sterile doctrinal debates to more productive and pragmatic concerns.

Internal Stresses... Although more united today than in the past, the PDC is not monolithic. The party is divided between leftists associated with current party President Gabriel Valdes and moderates led by former PDC President Andres Zaldivar. Christian Democratic leftists define their party as center-left and their recent rhetoric has been more populist than that of the Zaldivar grouping. The private statements

of Valdes and his leftist advisers sometimes show traces of traditional PDC antipathy for the democratic right, and, according to the US Embassy, that faction has hesitated to make common cause with even "civilized" conservatives. Valdes publicly has excluded the Communists as possible partners in any future PDC-led government, but his faction generally favors tactical cooperation with them to try to pressure the government. The Zaldivar group, in contrast,

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defines the party as purely centrist and is much less Party—was never formally dissolved and is thus fairly diffident regarding collaboration with the right. Party well organized.<sup>2</sup> The PDC is being renovated through moderates have also adopted a more forthrightly antia series of elections that we believe will leave it in Communist stance than Valdes's followers. better shape than any other Chilean party, with the 25X1 possible exception of the Communists. The PDC's These differences do not, in our view, imperil party formal structures are reinforced by an extraordinary unity. Opposition to Pinochet strengthens the party's sense of party loyalty. Christian democracy has bealready considerable esprit de corps, and here Zaldicome, according to the press, a subculture for its var—expelled from Chile by the regime from 1981 to activists, who frequent the same schools, clubs, 1983—is as hardline in his public statements and churches, and even vacation spots. This has helped actions as Valdes. Moderate Christian Democrats overcome centrifugal forces based on ideological, perhave also softened some of their anti-Communism and sonal, or generational conflicts. Chilean Christian agreed to work with the Communists in organizing democracy also possesses considerable intellectual fiantigovernment protests. Likewise, Valdes's leftism is ber: unlike most other Chilean parties, the PDC tempered by pragmatism: he explicitly rejects the maintains a network of foundations and institutes that notion of Christian Socialism 25X1 support policy-related research in economics, politics, law, and other fields. 25X1 We believe, however, that the party's greatest asset is 25X1 its status as the only major cross-class party in Chile. The Zaldivar faction has accepted Valdes's steward-Academic studies reveal that the party polls best ship because the moderate-leftist dispute is over nuamong middle-class voters, many of whom appreciate ances rather than basic principles. Moreover, there is the subtle support it receives at the grassroots level considerable evidence that the moderates are stronger from the Catholic Church. The PDC's ties with the than the leftists and will dominate the party in the Church—which in Chile is identified with the defense of workers and the poor-also stand it in good stead • The moderates have many popular young leaders; among the country's large and politically active lower six of the seven top votegetters in a recent political classes. The US Embassy reports that the party is committee election were young moderates. actively organizing in slum areas, thereby continuing • The Zaldivar faction controls the PDC youth seca trend begun in the 1960s. tion, which accounts for 40 percent of party 25X1 membership. Christian democracy, however, has an Achilles' heel: Moderates control the PDC labor front where they its position in the center of the political spectrum. If recently defeated a leftist proposal to fuse Christian Chile achieves a negotiated transition to democracy, Democratic and Communist unions into one the party will be able to portray itself as a stabilizing federation. force, attractive to moderates on both the right and In our view, the moderates are now satisfied with the left. If Chilean politics become radicalized, how-Valdes's leadership style and, provided they are given ever, this centrism probably would become an electoradequate representation in party councils, will wait al liability and might strain party unity. A polarized several years before effectively challenging Valdes for struggle between the authoritarian right and the the PDC presidency. Marxist left would, in our view, limit the appeal of 25X1 <sup>2</sup> The PN dissolved itself in 1973 as a gesture of solidarity with the ... And Strengths. The internal differences among new military regime. The Christian Democrats adopted a more the Christian Democrats are characteristic of any neutral stance toward the Pinochet government and preferred party with its breadth of membership, and the PDC to maintain an independent, albeit largely clandestine, party possesses counterbalancing strengths that could make structure. 25X1 it the fulcrum of the future party system. The US

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Embassy reports that the party—unlike the National

PDC calls for consensus and moderation. We would expect more ideologically combative political alternatives to come to the fore, reducing the Christian Democrats' ability to stem the slide into conflict and confrontation.

## The Left

The authoritarian left in Chile long has overshadowed more moderate domestic leftist groups. This circumstance, particularly evident during the Allende period, has been in our view a persistent source of political instability in modern Chile. The presence of a large, rigidly Marxist-Leninist Moscow-oriented Communist Party (PCCh) was an important factor in hindering the development of democratic leftist parties. The Communists remain a potent force, but the prospects for the emergence of a viable counterweight on the left have been bolstered by the increasing strength of moderates in the Chilean Socialist Party (PSCh).

Socialists. The PSCh—Allende's party—is the major socialist force in Chile and was the biggest leftist party before 1973, polling roughly 20 percent of the vote. The Socialist party historically has been divided between advocates of violent revolution and moderates pledged to a legal transition to socialism. This tension, exacerbated by personal disputes and generational struggles, caused the party to splinter into over a dozen factions by the late 1970s. During the past year the Socialists, anxious to reestablish their political influence, have coalesced into two major groupings: a group of incipient democratic socialists led by Carlos Briones and Hernan Vodanovic, and a hardline Marxist-Leninist faction led by Clodomiro Almeyda.<sup>3</sup>

The Briones Socialists are determined to avoid the path that spelled disaster under Allende. They publicly reject the use of violence in opposing Pinochet and emphasize the importance of democratic procedures

A third, smaller group—the so-called historic Socialist party—separated from the Briones faction in May 1983. Although it has some influence at the moment, we believe that the historic party probably will collapse because of internal divisions and opportunist leadership. The group contains both democratic and Marxist-Leninist socialists, and individual militants will most likely find a home eventually either in the Briones or the Almeyda factions.

and the rule of law. According to US Embassy reporting, the faction has grown wary of alliances with the Communists, especially since the Communist Party abandoned its traditional opposition to armed struggle in 1980. Bucking the old Socialist "unity of the left" approach, these Socialists have made common cause with the Christian Democrats in the Democratic Alliance. Vodanovic has told US officials that his goal is to fashion a modern democratic socialist party along the lines of Venezuela's Democratic Action or the Spanish Socialist Workers Party.

already made impressive strides in that direction; whether it continues to gain ground depends largely on the vitality of the opposing Almeyda faction and the assistance the Briones group receives from moderate leftist forces outside the Socialist Party proper.

The Almeyda group is the descendant of the Socialist Party's radical wing, which under Allende often took stances to the left of the Communists. The faction seeks the violent overthrow of Pinochet and, according to US Embassy and press reports, works virtually hand in glove with the Communists as a member of the PCCh-controlled opposition coalition, the Popular Democratic Movement (MDP). Almeyda himself resides in East Berlin, espouses Marxism-Leninism, and has publicly adopted a pro-Soviet foreign policy.

We judge that the Briones faction has a better-thaneven chance of besting the Almeyda group and emerging as the legatee of the pre-1973 Socialist Party. Based on press reporting, the Almeyda wing is in internal disarray, having expelled many leaders and some rank and file because of differences over policy and personality conflicts. Through subservience to Moscow it has forfeited claim to the venerable Chilean socialist tradition of freedom from foreign influence. Finally, the faction's mimicry of Communist

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policies has blurred distinctions between hardline Socialists and Communists. The Almeyda group may subsist as a Communist appendage, but we judge its future as an independent political entity to be bleak.	studies of young Chilean party members in the USSR. Although more precise evidence is lacking, we agree with the conclusion of much of the Chilean press that the party could not underwrite its varied activities solely through membership dues and other internal sources of funding. Furthermore, the PCCh	25X1
Prospects for democratic socialism are further enhanced by the existence of social democratic forces outside the PSCh proper. Chief among these are the	has been generally responsive to Soviet views regarding political strategy, partially, in our view, in order to avoid jeopardizing this important source of support.	
Radicals, Chile's oldest party, and their offshoot, the Social Democrats. Both parties, currently reuniting under a European-style social democratic program, have publicly shown interest in working with the Briones Socialists. While longstanding personal rivalries probably preclude a formal fusion, we judge that social democrats and democratic socialists will even-		25X1
tually arrive at some form of cooperation. Ideological	Soviet Bloc influence can also be detected in the	
differences between the two groups are minimal, and	party's recent emphasis on terrorist tactics.	25X1
leaders of both have openly said that they want to prevent the Chilean left from being dominated by the		25X1
Communists. Past voting patterns suggest that, work-		25X1
ing together, PSCh moderates and social democrats		
from the Radical tradition might attract support from	We agree with the US Embassy's assessment	
up to one-third of the electorate, thereby constituting	that the PCCh's terrorist arm may be directed and	
a workable non-Communist, center-left option.	funded from outside Chile, probably by exiled Chil-	
	ean Communists in close consultation with Moscow.	
The chances for such a change in the party system	25X	<sub>(1</sub> 25X1
would be greatest within the context of an orderly		
transition to democracy, which in our view would reduce the appeal of the extremist Almeyda faction to	the PCCh—under pressure from Moscow and influenced by the	25X1
potential Socialist supporters.	Sandinista victory in Nicaragua—abandoned its long-	25X1
potential Socialist supported.	standing opposition to violence and advocated armed	20/
Communists. Polarization and violence, however,	rebellion to topple Pinochet. Since then the party has	
while peripherally aiding the Almeydistas, would	fomented terrorism, worked for a general strike, and	
mostly benefit the Communist Party, the most radical	attempted to organize street violence during anti-	
and powerful force on the left. It is well organized,	Pinochet protests:	
disciplined and—with membership estimated by the US Embassy at 15,000 to 20,000—probably the largest party in Chile after the Christian Democrats.	• The armed wing of the party, according to the US Embassy, is responsible for a series of bombings throughout the country this year.	
The PCCh has traditionally attracted upwards of 15	• Communist-dominated labor unions called for the	
percent of the electorate and, according to the US	abortive one-day strike against the government in	
Embassy, retains the loyalty of its hardcore working-	October.	
class following.	• The press states that PCCh front organizations have sponsored illegal land seizures by squatters in	25X1
The Communists also have been helped by financial	Santiago.	OEV4
assistance and training provided by Moscow.	The Communists have complemented their covert	25X1 25X1
the Courst	strategy with overt political mobilization via their	_
the Soviet press acknowledges that Moscow finances the university	front, the Popular Democratic Movement.	25X1
and a reages that moses mances the university		05)//
		25X1

Thus far, Communist efforts to foment armed resistance have been largely frustrated. Sporadic violence among slumdwellers has flared during protests. Although this serves Communist interests, we agree with the US Embassy's assessment that these outbursts are largely spontaneous and beyond party control. The PCCh continues to organize among the urban poor,

its influence in the slums is held in check by the government's frequent arrest and deportation of Communist organizers.

the Communists have been unable to rally support from a sufficiently broad spectrum of workers to carry out a crippling nationwide strike. Moderates still control the labor movement, and the regime's judicious mix of economic reforms and repression has kept the unions disunited and dispirited.

The Communists also are making little headway in their efforts to use terrorism to goad Pinochet into a blanket repression that could deprive him of key middle-class support. Selective government security measures have hampered the party's bombing campaign. Moreover, according to press accounts and the US Embassy, the violence has confirmed middle-class fears that a quick return to civilian rule would renew the chaos of the Allende years.

We believe that Communist influence can be contained during the transition to civilian rule, especially if the democratic opposition arrives at a modus vivendi with the government. The party will probably remain ostracized by the Democratic Alliance as long as it perpetrates terrorism. Even if the Communists abjured violence, they would be hard pressed to convince either the regime or the rest of the opposition of their sincerity. Furthermore, while all partisan activity is theoretically forbidden under a special decree that the government has failed to enforce since 1983, the 1980 Constitution singles out the Communists for special proscription. This constitutional ban—which, unlike the decree, is rigorously implemented by the regime-may be lifted after Pinochet steps down, but until then it will almost certainly retard Communist progress in electoral politics.

Nonetheless, if Chilean politics degenerates into violent confrontation between the opposition and the regime, we believe the Communists would gain adherents and influence because they are the sole major party that has consistently refused to negotiate with the dictatorship.

# **Outlook and Implications for the United States**

The information available to us from open sources shows that Pinochet and the armed forces as an institution are not directly involved in shaping the emerging party system. Since assuming power in 1973, only President Pinochet and a handful of

generals have exercised important governmental functions; the military as a whole has remained aloof from politics. Pinochet has publicly rejected proposals from the authoritarian right to create a civil-military "movement" that would inject the armed forces into partisan politics. Likewise, he has publicly warned the opposition not to try to bypass the President and negotiate directly with the military concerning the transition to democracy.

We believe that the armed forces are primarily concerned that Pinochet be succeeded by a moderate civilian government that will not initiate Argentine-like trials of military leaders for human rights abuses and that the constitutional ban on Marxist-Leninist parties not be lifted before the transition is completed. The military as an institution does not appear to support individual parties or to strive for the formation of specific coalitions or alliances.

The Most Likely Case. The major variable determining Chile's future party structure is the nature of the transition to democracy. Developments in Chile over the past six months—such as opposition disarray, full military solidarity with the President, and effective government repression—have strengthened Pinochet's hand and moderated the opposition's demands. As a result we believe that there is now a slightly better-than-even chance that the shift from authoritarian to democratic rule can be achieved through negotiations

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between the government and the democratic opposition.4 Although dialogue is currently stalled, Pinochet has pledged to return Chile to pluralism and shares the moderate opposition's desire to contain Communist influence. The elements of compromise, which have been publicly suggested by government leaders close to the President, lie in modifications of the 1980 Constitution—such as advancing by two or three years the dates of congressional or local elections scheduled for 1990—that would leave Pinochet's basic powers intact while giving the center and the right a stake in the peaceful evolution of the political system. Pinochet will not grant even minor concessions easily, however. In fact, we judge that there probably will be considerable political tumult—including renewed violent protests—before the President either modifies his hardline stance or the military replaces him with a general more amenable to an accelerated democratic transition.

We believe that a consensual transition would help create a party system conducive to political stability during the late and post-Pinochet era. On the right, one or two pragmatic democratic conservative groups—derived largely from elements of the ADENA coalition, the National Party, and the Republican Right—would probably dominate. These parties would seek to extend their appeal to centerright voters by moving closer to the Christian Democrats and shunning authoritarian rightists such as the Nationalist Action Movement. Most important, under these conditions the Christian Democrats, in our view, would be well placed to consolidate their control of the crucial political center, and would probably emerge as the largest party

Developments on the left, however, also would be crucial. We judge that there is a better-than-even chance that a democratic socialist alternative—centered on the Briones Socialists, along with either the Radicals and Social Democrats or several small Christian Socialist groups—can take root while the radical left remains legally proscribed. Although it is

likely that the Communists and the Marxist-Leninist Socialists will be legalized after Pinochet steps down, by then the democratic left may well have proved its mettle. In that case, Communist Party influence could probably be contained, and the way would be open for peaceful competition among democratic forces of the right, left, and center.

The reemergence of stable representative government in Chile would benefit the United States. The Soviets and Cubans—whose meddling was so pervasive during the Allende years—would be stymied, and the overall prestige and influence of the United States would be enhanced because of its support for the transition to democracy. Indeed, Chile would serve, as it did prior to 1970, as evidence that democratic rule in Latin America is a workable alternative to the extremes of both the right and the left. Furthermore, a reduction in human rights violations would permit the United States to renew arms sales and training to Chile, thereby easing currently strained military ties.

An Alternate Scenario. Because of the volatility of Chilean politics and the present intransigence of the political actors, however, chances are just shy of even that Santiago may not achieve an orderly transition to democracy. This alternate scenario hinges on an outright refusal by the democratic opposition to participate in government-sponsored elections, accompanied by increased repression, political polarization, and violence. It could, in our view, come into play if Pinochet rejects even minor constitutional revisions, reverses liberalization measures taken to date, or attempts to stay in office after 1989

The democratic opposition would be likely to respond to such a turn of events by organizing more mass protests, while the radical left would step up its terrorist campaign. We believe that, unless a severe economic depression coincides with antiregime political agitation, Pinochet can probably keep control through repression. But the political costs of thus clinging to power would be great: Pinochet would

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thoroughly alienate the democratic opposition and probably lose support among moderate conservatives. Handing over power to civilians under such circumstances would probably produce a narrowly based rightist administration, dependent on military backing whose legitimacy would be challenged by most other components of the political spectrum.

We believe that the party system most likely to mature under these conditions would reduce the chances for peaceful democratic government. The rift between the authoritarian right-strengthened by middle-class fears of Communist-inspired violence and terrorism-and democratic conservatives would probably widen. The Christian Democrats would be placed in a bind, since the polarization of politics would cause them to lose middle-class support to the hardline right and lower-class followers to the radical left. The party would almost certainly be weakened, its internal tensions exacerbated, and its effectiveness as a political conciliator reduced. On the left, democratic socialism would probably remain a minority current, while the Communist alternative of violent rebellion would appeal to an increasingly radicalized working class. Taken together, the result would be an unstable party system dominated by antithetical extremes and lacking a strong, stabilizing center. The stage would be set for chronic instability and the possible reinsertion of the military into politics.

This scenario would almost certainly result in a more strained and complicated relationship with the United States. Moscow and Havana regarded Allende's overthrow as a significant setback and have since been searching for a way to redress the balance; enhanced influence of the Communists and the Almeyda Socialists would directly benefit Soviet and Cuban interests. While Chile would probably remain outside the Soviet orbit, a greater role for the radical left would inflame latent anti-Americanism and probably limit the ability of even a moderate government to work closely with the United States. A military coup, on the other hand, would intensify Chile's international isolation and probably involve human rights abuses reminiscent of the early Pinochet era. Under such conditions bilateral military relations would continue to stagnate and government-to-government contacts would remain strained. Because of past involvement in Chilean politics, the United States would almost certainly be accused by its critics in Chile and elsewhere of torpedoing the transition process, with a consequent loss of prestige and influence throughout Latin America.

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# Appendix A

# Selected Chilean Political Parties

Party	Affiliation b	Leaders/Supporters	Comments	
Authoritarian right				
Chilean Anti-Communist Action (AChA)		Andres Cabriolet, Patricia Cobo	New terrorist group; alleged ties to state security services	
Nationalist Union of Chile (UNACh)	FNCh	Jorge Vargas Diaz		
National Sindicalist Movement (MNS)	FNCh	Werner Von Bischoffhausen	FNCh parties, all miniscule, unreservedly support Binochet assument	
National Action Front (FRAN)	FNCh	Juan Gonzalez	edly support Pinochet government	
National Vanguard (AN)		Cesar Hidalgo	Possibly largest far-right group	
National Action Movement (MAN)	ADENA	Federico Willoughby, Pablo Rodriguez, Gaston Acuna	Most moderate of authoritarian nationalists	
Democratic right				
National Union (UN)	ADENA	Andres Allamand, Fernando Maturana, Sergio Jarpa	Largest ADENA member; many pre- 1973 National Party leaders	
Radical Democracy (DR)	ADENA	Julio Duran, Jaime Tormo	Rightist schism from pre-1973 Radical Party	
Democratic Socialist Workshops (TSD)	ADENA	Luis Angel Santibanez	Schism from Radical Democracy	
Social Christian Movement (MSC)	ADENA	Juan de Dios Carmona, William Thayer	Rightwing former Christian Democrats	
Independent Democratic Union (UDI)		Sergio Fernandez, Jaime Guzman, Javier Leturia	"Chicago Boys"; free market/mone- tarist right	
National Party (PN)		Carmen Saenz, Patricio Phillips, Fernando Ochagavia	Possibly largest rightwing party; majority of pre-1973 PN leaders	
National Democratic Party (PADENA)		Luis Minchel, Juan Francisco Espinoza	Tiny, moderate, center-right party	
Liberal Movement (ML)	AD	Hernan Errazuriz, Claudio Cerda	Close contacts with PADENA and PN	
Republican Right (DR)	AD	Hugo Zepeda, Julio Subercaseaux, Armando Jaramillo	Some pre-1973 PN leaders; only important rightist party in open opposition to Pinochet	
Center				
Christian Democratic Party (PDC)	AD	Gabriel Valdes, Andres Zaldivar, Juan Hamilton, Patricio Aylwin	Probably largest party in Chile; leads democratic opposition to Pinochet	
Democratic left				
Radical Party (PR)	AD/FSD	Enrique Silva Cimma, Anselmo Sule	Chile's oldest party; secular, more leftist alternative to PDC	
Social Democratic Party (PSD)	AD/FSD	Mario Sharpe, Luis Bossay	Moderate faction of pre-1973 Radical Party	
Popular Socialist Union (USOPO)	AD/FSD	Ramon Silva Ulloa	Rightwing split from pre-1973 PSCh	
Socialist Party of Chile-Briones (PSCh/B)	AD/BS	Carlos Briones, Hernan Vodanovic, Ricardo Lagos, Julio Stuardo	Largest and most moderate PSCh fac- tion; heads Socialist Bloc coalition	
Socialist Party of Chile-Mandujano (PSCh/M)		Manuel Mandujano, Victor Sergio Mena	Disparate collection of democratic and Marxist Socialists	

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# Selected Chilean Political Parties \* (continued)

Party	Affiliation b	Leaders/Supporters	Comments
Christian Left (IC)	BS	Sergio Aquilo	Small group of Christian Socialist dis- sidents from PDC
United Popular Action Movement (MAPU)	BS c	Blas Tomic, Jorge Molina	Originally Christian-Marxist split from PDC; now somewhat moderated
United Popular Action Movement Worker, Peasant (MAPU-OC)	BS c	Marcello Contreras	Schism from MAPU
Authoritarian left			- 10 - 10
Socialist Party of Chile-Almeyda (PSCh/A)	MDP	Clodomiro Almeyda, Manuel Almeyda, Eduardo Gutierrez	Marxist-Leninist PSCh faction; fo- ments terrorism in cooperation with Communists
Communist Party of Chile (PCCh)	MDP	Luis Corvalan, Jaime Insunza, Jose Sanfuentes, Ociel Nunez	Hardline Moscow-oriented party; dom- inates MDP and controls Manuel Ro- driguez Patriotic Front terrorist group
"La Chispa" (The Spark)	MDP	Rafael Ruiz	Small collection of PSCh dissidents; terrorist group
Movement of the Revolutionary Left (MIR)	MDP	Andres Pascal Allende, Hernan Aguilo	Castroite terrorist organization

<sup>&</sup>lt;sup>a</sup> This table lists only parties of some political relevance; scores of minute parties and factions clutter the Chilean political scene, but most are of no practical significance.

ADENA = National Democratic Accord

BS = Socialist Bloc

FNCh = Chilean Nationalist Front

FSD = Social Democratic Federation

MDP = Popular Democratic Movement

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b Key: AD = Democratic Alliance

c Factions of both these parties also belong to the MDP.

# Appendix B

# Key Chilean Party Leaders 5

This appendix lists 10 Chilean politicians who are likely to play a significant role during and immediately after the transition to civilian rule. Some, such as Sergio Jarpa and Gabriel Valdes, are already key political players while others, such as Hernan Vodan-

ovic and Andres Allamand, are promising younger
leaders. Rightist leaders are presented first, followed
by Christian Democrats, Socialists, and a Commu-
nist.



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# Sergio Onofre Jarpa Reyes

A prominent rightwing politician, Sergio Jarpa, 63, is the senior member of President Pinochet's Cabinet, where he serves as Minister of Interior. He is the chief proponent within the government of an accelerated transition to democracy. He is the most impressive and probably the most popular figure in the Pinochet government with a wide personal political following and considerable influence in conservative circles.

Jarpa has the equivalent of a high school education. During the 1960s he helped revive Chile's conservative political movement. From 1968 until the 1973 coup he was president of the National Party (PN), where he was more identified with the authoritarian wing of the PN than with its democratic elements. He was a staunch advocate of the military coup in 1973 that brought Pinochet to power.

' Unless otherwise specified, information in this appendix is based on US Embassy reporting.

# Andres Allamand Zavala

Andres Allamand, a lawyer about 27 years old, is secretary general of the National Union (UN), a conservative faction of the pre-1973 National Party. He is trying to organize the UN into a political party on a nationwide basis. In a January 1984 press interview, Allamand said he wants to broaden the UN's constituency and create a party that goes beyond the traditional limits of the Chilean right. Allamand is a close political ally of Interior Minister Sergio Jarpa, and several National Party leaders consider the UN to be Jarpa's own political group. Allamand and his fellow UN leaders have publicly stated that the Communist Party and other Marxist-Leninist groups must be excluded from any future democratic system in Chile.

Allamand was actively involved in student politics during the Allende government as President of the National Party's youth organization.

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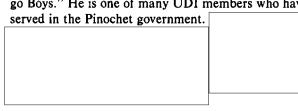
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# Sergio Fernandez Fernandez

Sergio Fernandez, 45, heads the Independent Democratic Union (UDI), a conservative grouping of politicians and businessmen known in Chile as the "Chicago Boys." He is one of many UDI members who have



Fernandez received a law degree from the University of Chile in 1963 and studied at New York University during the early 1970s. As a student, he was active in the Christian Democratic Youth. During 1976-77 he served as the Pinochet regime's first civilian Labor Minister. He was Interior Minister from 1978 until early 1982. In 1980 the Chilean press chose him as "Man of the Year" for his help in drafting the new constitution.



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# Carmen Saenz de Phillips

Carmen Saenz de Phillips, president of the centerright National Party (PN), is coordinating the committee that is reorganizing the party. The Chilean press reports that she is also currently attempting to organize a center-right federation of political parties. She has been active in the National Party since at least the early 1970s, when she served as a PN national deputy and on its Board of Directors as one of four vice presidents. In that position she was responsible for directing PN women's programs.

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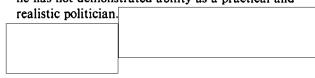
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# Gabriel Valdes Subercaseaux

Gabriel Valdes, 65, a longtime left-of-center politician, is president of the Christian Democratic Party. His association with the PDC's left wing somewhat limits his support among more moderate party elements. A PDC youth leader has remarked that, although Valdes is extremely ambitious and may believe that his moment for national power has come, he has not demonstrated ability as a practical and realistic politician



Valdes received a law degree from the Catholic University in Santiago in 1945. A founder of the PDC, he rose rapidly through its ranks after his 1964 appointment as Foreign Minister under President Eduardo Frei (1964-70)



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### Andres Zaldivar Larrain

Andres Zaldivar, 47, is a former president of the Christian Democratic Party and the current head of the Christian Democratic International. He returned to Chile in October 1983 after a three-year government-imposed exile. Although Zaldivar holds no formal position in the PDC or in any of the multiparty coalitions, we believe that his moderate political stance and his civilian support make him a key opposition leader and a strong contender to become party president. Zaldivar considers himself to be a centrist alternative to Gabriel Valdes:

In Sep-

tember 1984 he was arrested briefly for participating in a Santiago protest rally

In 1959 Zaldivar received a law degree from the University of Chile. He was president of the University of Chile PDC law group and secretary of the party's tax commission. During 1968 to 1970 Zaldivar was Finance Minister in the Frei government and from 1970 to 1973 was an opponent of Frei's Socialist successor, Salvador Allende. Since the 1973 military coup that ousted Allende, however, Zaldivar has become one of the regime's most outspoken critics. During the 1970s he served as a senator, as party treasurer, and finally as PDC president until his exile in 1980.

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# Juan Hamilton Depassier

A moderate Christian Democratic leader, Juan Hamilton, 57, is associated with the conservative party faction that opposes PDC president Gabriel Valdes. Hamilton plans to challenge Valdes for the party presidency at the PDC Congress slated for December 1984. He has expressed interest in transition plans calling for a plebiscite in 1985 to modify the constitution, set congressional elections for 1986, and have Pinochet step down in 1989.

Hamilton graduated from the University of Chile in 1950. He was undersecretary of the Ministry of Interior from 1964 until 1966 and then served for three years as Minister of Housing and Urban Affairs in the Frei administration. He was elected a senator in 1973. During the early and middle 1970s, he was PDC media director and headed the party's international relations committee. In 1979 he became a member of the PDC governing board.



# Ricardo Lagos Escobar

An ideological moderate, Ricardo Lagos, 46, represents the Socialists in the Democratic Alliance (AD). He is a vocal critic of the Pinochet regime; in August 1984, Lagos stated that the President's comments on the transition "have notified Chile's politicians that they should not expect anything from him."

Lagos received a law degree from the University of Chile in the early 1960s. During that time he belonged to the center-left Radical Party and served as president of the Radical Youth organization. He broke from that party in 1964 to support Salvador Allende's unsuccessful bid for the presidency. He then studied at Duke University where he received a doctorate in economics in 1966. From 1967 until 1970 he was director of the School of Political Science and Public Administration of the University of Chile. At the university he held the prestigious post of secretary general during 1970-71. Under the Allende presidencv (1970-73), Lagos was a member of Chile's delegation to the 26th Session of the UN General Assembly in 1971. One year later, Allende named him as Ambassador to the Soviet Union but he never assumed the post.

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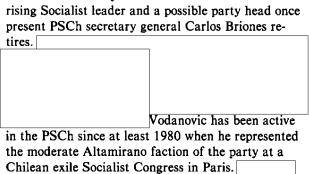
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# Hernan Vodanovic

Deputy secretary general of the Briones faction of the Socialist Party of Chile since April 1984, Hernan Vodanovic is aligned with the moderate wing of the PSCh. US Embassy officials consider him to be a rising Socialist leader and a possible party head once present PSCh secretary general Carlos Briones re-





La Segunda 🗘

## Jaime Insunza Becker

A leader of the Chilean Communist Party (PCCh) since the mid-1970s, Jaime Insunza, who is about 39, is a founder and the secretary general of the Popular Democratic Movement (MDP), the Communist-dominated opposition coalition established in 1983. In early April of this year the government forced him into exile after accusing him of "promoting totalitarian doctrine." He has reportedly returned to Chile and is in hiding.

In 1973 Insunza was a member of the Communist youth organization's National Committee. By 1976 he had become a member of the Politburo of the PCCh Central Committee.

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